

Message Text

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PAGE 01 JOHANN 01600 01 OF 02 221253Z

ACTION AF-10

INFO OCT-01 ISO-00 IO-14 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02

SS-15 USIA-15 EUR-12 EB-07 /100 W

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R 220935Z JUN 77

FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC 6261

INFO AMEMBASSY PRETORIA

AMCONSUL DURBAN

AMCONSUL CAPE TOWN

UNCLAS SECTION 1 OF 2 JOHANNESBURG 1600

E.O. 11652: N/A

TAGS: PINT, SF

SUBJECT: PRESS REPORT: THE CITIZEN REPORTS ON US-SA

1. THE CITIZEN, JOHANNESBURG, WEDNESDAY JUNE 22, 1977, UNDER THE BY-LINE AIDA PARKER CONTINUES, AS PART 8, ITS SERIES ON THE SECRET US WAR AGAINST SOUTH AFRICA, AS FOLLOWS QUOTE: AMERICA'S PROLONGED ASSAULT ON GOLD.

FEW WOULD DENY THAT THE US GOVERNMENT HAS FOR YEARS WORKED HARD TO DESTABILISE THE SOUTH AFRICAN ECONOMY.

THESE EFFORTS INCLUDE THE CURRENT "DISINVESTMENT" POLICY, AN INTERNATIONAL CREDIT AND FINANCIAL SQUEEZE, PRESSURE ON US COMPANIES WITH SOUTH AFRICAN SUBSIDIARIES, BLOCKING OF LOANS BY INTERNATIONAL ORGANISATIONS AND MOST DANGEROUS OF ALL, AMERICA'S PROLONGED "HOLY WAR" AGAINST GOLD.

AS RECENTLY AS LAST SEPTEMBER THE AMERICAN PRESS WAS CRAMMED WITH LONG LEARNED TREATISES ON THE PRICE COLLAPSE OF THE "BARBAROUS METAL" DUE TO THE US DOMINATED IMF GOLD AUCTIONS. MANY WERE THE PREDICTIONS OF DISASTER FOR THE SOUTH AFRICAN ECONOMY, CULMINATING IN HINTS OF IMMINENT REVOLUTION AS A RESULT.

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PAGE 02 JOHANN 01600 01 OF 02 221253Z

ACCESS.

SIMULTANEOUSLY, A REPORT BY THE CHARLES RIVERS ASSOCIATES, COMMISSIONED BY THE US DEPARTMENT OF COMMERCE, GAVE FUEL TO THE US LIBERAL ESTABLISHMENT BELIEF THAT MARXIST AND MILITANT GOVERNMENTS IN SOUTHERN AFRICA WOULD NOT SERIOUSLY AFFECT AMERICAN ACCESS TO NATURAL RESOURCES.

NOW WE COME TO TWO FUNDAMENTAL FACTS ABOUT SOUTH AFRICA:
IT IS THE WORLD'S PREMIER PRODUCER OF GOLD, PROVIDING TWO-THIRDS
OF THE WORLD'S SUPPLY OF NEWLY MINED GOLD.
IT IS THE TARGET OF A FURIOUS WORLD-WIDE ATTACK FOR ITS POLICY
OF SEPARATE DEVELOPMENT.

WHAT IS THE LINK BETWEEN THESE TWO FACTS?

TODAY I AM PRIVILEGED TO QUOTE FROM " THE WAR ON GOLD", BY
BRITISH-BORN PROFESSOR ANTONY SUTTON, A FORMER RESEARCH FELLOW
AT THE HOOVER INSTITUTE FOR WAR, REVOLUTION AND PEACE, AND
AUTHOR OF A NUMBER OF MAJOR WORKS ON THE INTERNATIONAL MONETARY
SYSTEM.

" THE WAR ON GOLD", TO BE ISSUED SHORTLY BY VALIANT
PUBLISHERS, DEALS EXTENSIVELY WITH THE US ASSAULT ON SOUTH AFRICA.
IN IT, PROFESSOR SUTTON MAKES A NUMBER OF DISCLOSURES LIKELY
TO SHOCK SOUTH AFRICANS AND AMERICANS ALIKE.

PROPAGANDA.

HE CONTENTS: " THE ATTACK ON SOUTH AFRICA HAS LITTLE TO DO
WITH ITS RACIAL OR DOMESTIC POLICIES; THESE ARE PROPAGANDA
COUNTERPARTS TO THE WAR ON GOLD. A MOMENT'S THOUGH WILL SUGGEST
THAT A KISSINGER WHO IS UNMOVED BY SOVIET PERSECUTION OF JEWS
AND POLITICAL DISSIDENTS IS UNLIKELY TO BE MOVED BY THE LACK OF
VOTING RIGHTS FOR BLACK SOUTH AFRICANS.

" BASIC TO ANTI-SOUTH AFRICAN HOSTILITY IS THE FACT THAT
... SOUTH AFRICA IS A GEOLOGICAL FREAK, A VAST STOREHOUSE OF
MINERAL WEALTH, AN INVITING TARGET FOR EVERY IMPERIALISTIC
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PAGE 03 JOHANN 01600 01 OF 02 221253Z

CABAL IN THE WORLD, THE SOVIET UNION AND THE US INCLUDED".
US DEMANDS FOR A WAR ON GOLD, HE SAYS, BEGAN SURFACING AS FAR
BACK AS 1965. IN THAT SAME YEAR, " THE TAX EXEMPT CARNEGIE
ENDOWMENT FOR INTERNATIONAL PEACE, OSTENSIBLY STUDYING WAYS TO
END BLACK PERSECUTION IN SOUTH AFRICA, PUBLISHED A STUDY
(AMELIE C LEISS, APARTHEID AND UN COLLECTIVE MEASURES)
DETAILING HOW A UN ATTACK COULD BE MADE ON SOUTH AFRICA. THEMNV
REPORT QUOTED MILITARY CALCULATIONS INCLUDING THE NUMBER OF
TROOPS REQUIRED FOR THE ATTACK (93 000), THE AIR POWER REQUIRED
(3 000 FLYING HOURS) AND THE ESTIMATED CASUALTIES (18 900
TO 37 800).

"WE CAN SET ASIDE THE OBVIOUSLY GROSS UNDERESTIMATES BY THE PRESUM-
ABLY AMATEUR GENERALS AT CARNEGIE. MORE PERTINENTLY, HOW
DOES A TAX-EXAMPT 'PEACE' FOUNDATION GET TANGLED UP IN PROMOTING
WARS ON THE WORLD'S LARGEST PRODUCER OF GOLD?

" THIS CARNEGIE REPORT... WAS SIGNED BY JOSEPH E JOHNSON,
PRESIDENT OF THE FOUNDATION. JOHNSON IS LESS WELL KNOWN FOR
ANOTHER POSITION HE HOLDS: HONARARY SECRETARY-GENERAL FOR THE
US AT THE BILDERBERGER MEETINGS.

PRINCE BERNHARD

" PRINCE BERNHARD (OF LOCKHEED PAYOFF FAME) IS CHAIRMAN OF THE

BILDERBERGER GROUP.

" THE BILDERBERGERS, OTHERWISE KNOWN AS THE NAVIGATORS ARE DESCRIBED AS GLOBAL THINKERS, SUPPOSEDLY DEDICATED TO STRENGTHENING WESTERN IDEALS . IN PRACTICE, THE GROUP IS IN THE FOREFRONT OF PLANNING A ONE-WORLD NEW ORDER. SUCH A NEW ORDER WOULD OF COURSE BE UNDER US (THAT IS, WALL STREET) DOMINANCE. IN OTHER WORDS, IT WOULD BE THE SAME DOLLAR IMPERIALISM THAT IS AT THE ROOT OF THE WAR ON GOLD.

" THE CARNEGIE ENDOWMENT IS AN INTEGRAL PART OF THE US ESTABLISHMENT. IN MANY WAYS IT IS CLOSER TO THE CENTRE OF POLICY-MAKING THAN THE WASHINGTON BUREAUCRATS. IT HAS A VESTED INTEREST IN PROMOTING DOLLAR IMPERIALISM.

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PAGE 01 JOHANN 01600 02 OF 02 221318Z

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SUBJECT: PRESS REPORT: THE CITIZEN REPORTS ON US-SA

"AS PART OF THE CARNEGIE PROGRAMME TO 'ALTER THE FUTURE' ON BEHALF OF DOLLAR IMPERIALISM , THE LEISS REPORT RECOMMENDED A BOYCOTT ON GOLD AS A PRELUDE TO MILITARY ACTION.

" THIS 1965 REPORT NOTED THAT EXPORT OF GOLD AND GOLD BY-PRODUCTS ACCOUNTED FOR 77 PERCENT OF SOUTH AFRICA'S GROSS NATIONAL PRODUCT. 'GOLD IS THE MOST IMPORTANT SINGLE EARNER OF FOREIGN EXCHANGE,' THE REPORT STRESSED. THE 'STUDY' ALSO INTRODUCED SOME SHAKY REASONING CONTENDING THAT GOLD MINING WOULD DECLINE BEFORE 1970 AND PREDICTED THAT 'BY 1981' ONLY FOUR OF THE EXISTING MINES ON THE WITWATERSRAND MAY STILL BE IN PRODUCTION". THE LEISS REPORT CONCLUDED, SAYS PROFESSOR SUTTON, THAT " IT WOULD BE NEXT TO IMPOSSIBLE TO PREVENT GOLD FROM MOVING INTO TRADE

CHANNELS EVEN IF COMPLETE ECONOMIC MEASURES WERE APPLIED".
IT OBSERVED THAT " A SUCCESSFUL BOYCOTT ON GOLD WOULD. IF
FOLLOWED, EITHER REQUIRE SOME EXTREMELY INTENSIVE POLICING
OPERATIONS OR SOME METHOD OF SHUTTING OFF THE MARKET OR A PART
OF IT".

" IN OTHER WORDS, MERELY CALLING FOR A BOYCOTT WOULD NOT BE
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PAGE 02 JOHANN 01600 02 OF 02 221318Z

SUFFICIENT. FORCE WOULD BE REQUIRED TO MAKE IT STICK. GETTING
SUCH PROGRAMME IMPLEMENTED WOULD CREATE PROBLEMS FOR THE US.
SO THE REPORT RAISED THE QUESTION: "WHICH WOULD BE MORE DAMAGED
BY A SUCCESSFUL BOYCOTT ON SOUTH AFRICAN GOLD - SOUTH AFRICA OR
THE SYSTEM OF INTERNATIONAL LIQUIDITY?".

" THE REPORT THEN OFFERED THE OBVIOUS CONCLUSION : THE ONLY WAY
BY WHICH THE BENEFITS OF SOUTH AFRICAN GOLD COULD BE DENIED TO
SOUTH AFRICA, WITHOUT DESTROYING INTERNATIONAL TRADE, WAS TO
DESTROY THE PRICE OF GOLD, WHILE AT THE SAME TIME MAINTAINING
US GOLD RESERVES TO PRESERVE US LIQUIDITY AND MAKING THESE
RESERVES AVAILABLE FOR STRATEGIC PURPOSES.

RESERVES.

" IN PRACTICE, THE CARNEGIE ENDOWMENT PROPOSAL HAS BEEN THE POLICY
ADOPTED BY THE US. PSYCHOLOGICAL WARFARE HAS BEEN MOUNTED AGAINST
GOLD AND AGAINST SOUTH AFRICA, THE LARGEST PRODUCER OF GOLD.
WHILE PROMOTING A WAR ON GOLD, HOWEVER, THE US HAS BEEN CAREFUL
TO MAINTAIN ITS OWN GOLD RESERVES.

" IN 1975 THE RUSSO-CUBAN TAKEOVER OF ANGOLA PROVIDED A SPINE
-CHILLING CONFIRMATION THAT THE 'CARNEGIE PLAN' FOR MILITARY
ACTION AGAINST SOUTH AFRICA WAS ENTERING ITS FINAL PHASE.

" PUBLICLY, THE US POSITION ON THE TAKEOVER OF ANGOLA WAS AN UN-
COMFORTABLE 'HANDS OFF'. BUT IN FACT THE US WAS WORKING AT THE
TIME AGAINST SOUTH AFRICA, AND THE MARXIST CONQUEST OF ANGOLA
FITTED INTO THAT PLAN. SECRETARY OF STATE HENRY KISSINGER
PERSONALLY REASSURED LEADERS OF LATIN AMERICA'S MARXIST GOVERNMENTS
THAT THE US WOULD REMAIN ON THE SIDELINES OF THE CONFLICT IN ANGOLA,
ALTHOUGH SOME PUBLIC ANNOUNCEMENT WOULD BE MADE CRITICISING THE
RUSSO-CUBAN TAKEOVER.

" SUCH STATEMENTS WOULD BE MADE TO APPEASE THE AMERICAN PUBLIC,
HOWEVER, NOT UPSET THE PLANS FOR ANGOLA.

" IN PERU, KISSINGER ASSURED PRESIDENT MORALES BERMUDEZ, CASTRO'S
CLOSE FRIEND, THAT THE US HAD NO REAL INTENTION OF SUPPORTING
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PAGE 03 JOHANN 01600 02 OF 02 221318Z

SOUTH AFRICA'S ACTION AGAINST THE CUBANS. LATER WHEN THE SENATE
FOREIGN RELATIONS COMMITTEE QUESTIONED KISSINGER ABOUT A PRESID-
ENTIAL REQUEST FOR AID TO THE UNITA-FNLA-CHAINED SOUTH AFRICAN

ALLIANCE FIGHTING THE RUSSIAN-CUBAN-MPLA SIDE, KISSINGER
REPLIED: 'THE REQUEST WAS ONLY A DIPLOMATIC GESTURE.'

INCREDIBLE

THE LONDON ECONOMIST QUOTED INTELLIGENCE SOURCES TO THE EFFECT
THAT THE US PLAYED A DOUBLE GAME IN ANGOLA: THE CIA PROMISED
SOUTH AFRICA MILITARY SUPPORT AGAINST THE MARXIST MPLA- THEN RENEGED
ON ITS PROMISE. IN BRIEF, THE REPORT SUGGESTS, THE US LED
SOUTH AFRICA INTO A TRAP.

" THIS MAY SOUND INCREDIBLE TO MANY READERS, BUT NOTE THAT THIS
INTERPRETATION AND THE FACTS ARE BOTH CONSISTENT WITH THREE
BASIC REALITIES: THE WAR ON GOLD, THE PROPAGANDA WAR AGAINST
SOUTH AFRICA, THE ECONOMIC ASSAULT ON SOUTH AFRICA.

" IN THE LIGHT OF THE ABOVE IT CAN BE ARGUED THAT THE ATTACK ON
SOUTH AFRICAN RACIAL POLICIES IS NOTHING MORE THAN A COVER FOR
A POLITICO-MILITARY ATTACK ON SOUTH AFRICA, FOR WHICH THE WAR
ON GOLD IS AN ESSENTIAL PRELIMINARY, AND IN WHICH GOLD AND MIN-
ERAL WEALTH ARE THE ULTIMATE OBJECTIVES".

I HAVE SHOWN THIS REPORT TO A NUMBER OF SOUTH AFRICAN BANKERS
WITH STRONG US CONNECTIONS.

MOST AGREE THAT THE US LIBERAL-INTERNATIONAL WING, BOTH IN
POLITICAL AND FINANCIAL CIRCLES, DOES NOT ACCEPT THE SOUTH AFRICAN
ARGUMENT THAT THIS COUNTRY IS IMPORTANT TO THE WEST BECAUSE OF
ITS KEY STRATEGIC POSITION AND ITS CONTROL OF A WIDE RANGE OF
ESSENTIAL STRATEGIC MINERALS.

" BOARD MEMBERS OF THE LARGEST US BANKS ARGUE QUITE CYNICALLY
THAT THEY COULD NEGOTIATE FAR MORE EASILY WITH A WEAK AND
POSSIBLY CORRUPT BLACK GOVERNMENT IN PRETORIA THAN THEY CAN WITH
A STRONG WHITE ONE; THAT THEY COULD BUY MORE CHEAPLY FROM SUCH
A BLACK GOVERNMENT OR SIMPLY TAKE WHAT THEY NEED, AS RUSSIA IS
DOING IN THE AFRICAN COUNTRIES UNDER ITS INFLUENCE," SAID ONE
BANKER.

THE BANKERS, HOWEVER, ALSO POINT OUT - AS DOES PROFESSOR
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PAGE 04 JOHANN 01600 02 OF 02 221318Z

SUTTON - THAT:

SOUTH AFRICA IS A VERY MUCH TOUGHER NUT TO CRACK THAN MANY IN
THE US LIBERAL INTERNATIONAL WING MAY SUPPOSE. SAYS PROFESSOR
SUTTON: " THE ARMCHAIR GENERALS IN NEW YORK UNDER-ESTIMATED
THE RESILIENCY OF THE SOUTH AFRICAN ECONOMY. THE 1975 DEVAL-
UATION, A TOUGH 1976 BUDGET AND A GOLD CURRENCY SWAP STABILISED
THE ECONOMY".

WHETHER THE US ESTABLISHMENT LIKES IT OR NOT, GOLD HAS AGAIN
PROVED TO BE " THE ASSET OF LAST RESORT" FOR PRUDENT INVESTORS.
SWISS BANKERS, INDEED, BELIEVE THE UPWARD PRESSURE ON GOLD IS
NOW SO STRONG THAT IT WILL SIGNIFICANTLY PROTECT SOUTH AFRICAN
GOLD SALES AGAINST US STATE DEPARTMENT INTERFERENCE. UNQUOTE
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Message Attributes

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